

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1182

ANSWERED ON:24.10.2008

NORTH EAST INDUSTRIAL TECHNICAL CONSULTANCY ORGANISATION

Borkataky Shri Narayan Chandra

**Will the Minister of FINANCE be pleased to state:**

(a) whether the business activity of N.E. Industrial Technical Consultancy Organisation, sponsored by SBI, IDBI and PSBs, is not satisfactory;

(b) if so, the details thereof: and

(c) the steps taken by the Government for its revival during the Eleventh Plan Period?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a), (b) & (c): Yes, Sir. As reported by IDBI Bank, the North Eastern Industrial and Technical Consultancy Organisation (NEITCO) started incurring losses after 1996 mainly due to lack of opportunities for its services arising out of very slow pace of industrialization in the North Eastern Region and due to various other reasons. IDBI appointed Moores Rowland Consulting Pvt. Ltd. as consultant in 2002 for undertaking a viability study of NEITCO who had considered it for closure as it had lost its long term viability. IDBI, in consultation with ICICI Bank Ltd. and IFCI Ltd. had prepared a Status Paper which recommended to merge NEITCO with North Eastern Industrial Consultants Ltd. (NECON) to reduce expenditure and duplication of work and to perform effectively. However, the Board of NECON resolved that merger was not feasible. Thereafter with the approval of Government of India, North Eastern Council has been requested by IDBI to take over the management control and operational activities of NEITCO.